State of Kansas Department of Health and Environment

Notice of Hearing on Proposed Administrative Regulations

The Kansas Department of Health and Environment, Bureau of Environmental Health, Radiation and Asbestos Control Section, will conduct a public hearing at 10 a.m. Monday, February 18, 2013, in the Flint Hills Conference Room, third floor, Curtis State Office Building, 1000 S.W. Jackson, Topeka, to consider the adoption of amended regulation K.A.R. 28-35-147a, pertaining to the radiation schedule of fees.

A summary of the proposed regulation and the estimated economic impact follows:

Summary of Regulation:

K.A.R. 28-35-147a. The proposed amendments to the radiation schedule of fees adjust fees from approximately 64% to approximately 83% of the maximum established in K.S.A. 48-1606. The adjustment in fees is projected to generate sufficient revenue to operate the radiation control program for at least five additional years.

Economic Impact:

Cost to individuals: The adjusted fees will increase licensing and registration costs to the regulated community which consists of 287 facilities licensed to use radioactive materials and 2,624 facilities registered to use X-ray equipment. These facilities include academic institutions, industrial/construction operations, research labs, medical and dental facilities and security screening operations.

Cost to the agency: The proposed regulation will not result in any additional administrative costs to KDHE. All costs required to administer this regulation will be funded through licensing fees. There are no state general funds required to fund the KDHE program charged with

administering the radiation fee regulation. Radioactive material license fees for KDHE will increase from \$2,400 to \$3,120 per year.

Costs to other governmental agencies or units: The adjusted fees will impact other state agencies that use radioactive materials and radiation-producing devices. The following summarizes a 30% increase in fees for the major agencies:

University of Kansas Hospital Authority: current fee \$12,580; proposed fee \$16,355

University of Kansas Medical Center: current fee \$4,955; proposed fee \$6,440

University of Kansas: current fee \$4,600; proposed fee \$5,980

Kansas State University: current fee \$4,600; proposed fee \$5,980

Agencies such as KDOT using portable radioactive gauges: current fee \$800; proposed fee \$1,040

The time period between publication of this notice and the scheduled hearing serves as the required public comment period of at least 60 days for the purpose of receiving written public comments on the proposed amended regulation. All interested parties may submit written comments prior to 5 p.m. on the day of the hearing to Thomas A. Conley, KDHE, Bureau of Environmental Health, 1000 S.W. Jackson, Suite 330, Topeka, 66612, by email to tconley@kdheks.gov or by fax to (785) 296-0984. During the hearing, all interested parties will be given a reasonable opportunity to present their views orally on the proposed amended regulation as well as an opportunity to submit their written comments. In order to give each individual an opportunity to present their views, it may be necessary for the hearing officer to request that each presenter limit any oral presentation to an appropriate time frame.

Complete copies of the proposed regulation and the corresponding economic impact statement may be obtained on the KDHE radiation website at

http://www.kdheks.gov/radiation/radpubnotice.html or by contacting Thomas A. Conley at (785) 296-1565 or tconley@kdheks.gov. Questions pertaining to the proposed regulation should be directed to Thomas A. Conley.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and the economic impact statement in an accessible format. Requests for accommodation should be made at least five working days in advance of the hearing by contacting Thomas A. Conley.

Robert Moser, M.D.

Secretary of Health and Environment

28-35-147a. Schedule of fees. Each fee for an initial license application or registration shall be equal to the sum of the annual fees for all applicable categories. Each annual fee for a license or registration shall be equal to the sum of the annual fees for all applicable categories. The following fees shall be paid as specified in K.A.R. 28-35-145 and 28-35-146:

- (a) Special nuclear material.
- (1) Licenses for possession and use of special nuclear material in sealed sources contained in devices used in industrial measuring systems.

(2) Any licenses not otherwise specified in this regulation for possession and use of special nuclear material, except licenses authorizing special nuclear material in unsealed form in combination that would constitute a critical mass.

- (b) Source material.
- (1) Licenses that authorize only the possession, use, or installation of source material for shielding.

(2) All other source material licenses not otherwise specified in this regulation.

- (c) Radioactive or by-product material.
- (1) Licenses of broad scope for possession and use of radioactive or by-product material issued for processing or manufacturing items containing radioactive or by-product material for commercial distribution.

Annual fee
(2) Other licenses for possession and use of radioactive or by-product material issued for
processing or manufacturing items containing radioactive or by-product material for commercial
distribution.
Annual fee
(3) Licenses authorizing the processing or manufacturing and the distribution or
redistribution of radiopharmaceuticals, generators, reagent kits, sources, or devices containing
radioactive or by-product material. This category shall include the possession and use of source
material for shielding when included on the same license.
Annual fee
(4) Licenses authorizing distribution or redistribution of radiopharmaceuticals, generators,
reagent kits, sources, or devices not involving processing of radioactive
or by-product material. This category shall include the possession and use of source material for
shielding when included on the same license.
Annual fee
(5) Licenses for possession and use of radioactive or by-product material in sealed sources
for irradiation of materials in which the source is not removed from its shield.
Annual fee
(6) Licenses for possession and use of less than 10,000 curies of radioactive or by-product
material in sealed sources for irradiation of materials in which the source is exposed for

irradiation purposes. This category shall include underwater irradiators for irradiation of materials in which the source is not exposed for irradiation purposes.

A initial let A is a substitute A in	Annual fee		\$2,115.00 \$2,750.00
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(7) Licenses for possession and use of more than at least 10,000 curies of radioactive or by-product material in sealed sources for irradiation of materials in which the source is exposed for irradiation purposes. This category shall include underwater irradiators for irradiation of materials in which the source is not exposed for irradiation purposes.

(8) Licenses issued to distribute items containing radioactive or by-product material that require device review to persons exempt from licensing, except specific licenses authorizing redistribution of items that have been authorized for distribution to persons exempt from licensing.

(9) Licenses issued to distribute items containing radioactive or by-product material or quantities of radioactive or by-product material that do not require device review to persons exempt from licensing, except for specific licenses authorizing redistribution of items that have been authorized for distribution to persons exempt from licensing.

(10) Licenses issued to distribute items containing radioactive or by-product material that require a safety review of the sealed source or device to any person with a general license, except

specific licenses authorizing redistribution of items that have been authorized for distribution to
any person with a general license.
Annual fee
(11) Licenses issued to distribute items containing radioactive or by-product material or
quantities of radioactive or by-product material that do not require a safety review of the sealed
source or device to any person with a general license, except specific licenses authorizing
redistribution of items that have been authorized for distribution to any person with a general
license.
Annual fee
(12) Licenses of broad scope for possession and use of radioactive or by-product material
issued for research and development that do not authorize commercial distribution.
Annual fee
(13) Other licenses for possession and use of radioactive or by-product material issued for
research and development that do not authorize commercial distribution.
Annual fee
(14) Licenses that authorize services for other licensees, except the following:
(A) Licenses that authorize only calibration or leak_testing services, or both, shall be
subject to the fee specified in paragraph (c)(16).
(B) Licenses that authorize waste disposal services shall be subject to the fees specified in
the fee categories in subsection (d).
Annual fee

(15) Licenses for possession and use of radioactive or by-product material for industrial
radiography operations. This category shall include the possession and use of source material for
shielding when authorized on the same license.
Annual fee
(16) All other specific radioactive or by-product material licenses not otherwise specified in
this regulation.
Annual fee
(17) Registration of general licenses for devices or sources specified in part 3 of this article,
except those authorized by K.A.R. 28-35-178f.
Annual fee
(d) Waste disposal and processing.
(1) Licenses authorizing the possession and use of radioactive or by-product material,
source material, or special nuclear material waste for a commercial, low-level radioactive waste
disposal facility.
Annual fee Full cost, as specified in K.A.R. 28-35-146a
(A) Amendment to license concerning safety and environmental questions.
Amendment fee Full cost, as specified in K.A.R. 28-35-146a
(B) Amendment to license concerning administration questions.
Amendment fee Full cost, as specified in K.A.R. 28-35-146a
(2) Licenses specifically authorizing the receipt of radioactive or by-product material,
source material, or special nuclear material waste from other persons for the purpose of

packaging or repackaging the material. The licensee shall dispose of the material by transfer to
another person authorized to receive or dispose of the material.
Annual fee
(3) Licenses specifically authorizing the receipt of prepackaged radioactive or by-product
material, source material, or special nuclear material waste from other persons. The licensee shall
dispose of the material by transfer to another person authorized to receive or dispose of the
material.
Annual fee \$2,370.00 \\$3,080.00
(e) Well logging.
(1) Licenses for possession and use of radioactive or by-product material, source material,
or special nuclear material for well logging, well surveys, and tracer studies other than field
flooding tracer studies.
Annual fee \$1,525.00 \\$1,985.00
(2) Licenses for possession and use of radioactive or by-product material for field flooding
tracer studies.
Annual fee \$1,525.00 \\$1,985.00
(f) Nuclear laundries.
Licenses for commercial collection and laundry of items contaminated with radioactive or
by-product material, source material, or special nuclear material.
Annual fee
(g) Medical licenses.

(1) Licenses issued for human use of radioactive or by-product material, source material, or special nuclear material in sealed sources contained in teletherapy devices. This category shall include the possession and use of source material for shielding when authorized on the same license.

(2) Licenses of broad scope issued to medical institutions or two or more physicians authorizing research and development, including human use of radioactive or by-product material, except licenses for radioactive or by-product material, source material, or special nuclear material in sealed sources contained in teletherapy devices. This category shall include the possession and use of source material for shielding when authorized on the same license. Separate annual fees shall not be assessed for pacemaker licenses issued to medical institutions who also hold nuclear medicine licenses under categories in this paragraph or paragraph (g)(3).

(3) Other licenses issued for human use of radioactive or by-product material, source material, or special nuclear material, except licenses for radioactive or by-product material, source material, or special nuclear material in sealed sources contained in teletherapy devices. This category shall include the possession and use of source material for shielding when authorized on the same license. Separate annual fees shall not be assessed for pacemaker licenses issued to medical institutions who also hold nuclear medicine licenses under categories in this paragraph or paragraph (g)(2).

(h) Civil defense.

Licenses for possession and use of radioactive or by-product material, source material, or special nuclear material for civil defense activities.

- (i) Device, product, or sealed source safety evaluation.
- (1) Safety evaluation review of each device or product containing radioactive or by-product material, source material, or special nuclear material, except any reactor fuel device, for commercial distribution. This fee shall apply to each device or product.

(2) Safety evaluation review of each device or product containing radioactive or by-product material, source material, or special nuclear material manufactured in accordance with the unique specifications of, and for use by, a single applicant, except any reactor fuel device. This fee shall apply to each device or product.

(3) Safety evaluation of each sealed source containing radioactive or by-product material, source material, or special nuclear material, except reactor fuel, for commercial distribution. This fee shall apply to each sealed source.

(4) Safety evaluation of each sealed source containing radioactive or by-product material, source material, or special nuclear material manufactured in accordance with the unique specifications of, and for use by, a single applicant. This fee shall apply to each sealed source.

	Fee
	(j) Reciprocity.
	(1) Licensees who conduct activities under a reciprocal agreement.
	Annual fee
	(2) Registrants who conduct activities under a reciprocal agreement.
	Annual fee
	(k) X-ray machines.
	(1) Base registration fee per facility.
	Annual fee
	(2) Registration fee for each X-ray tube at a facility. This fee shall be in addition to the base
registra	tion fee.
	Annual fee per X-ray tube
	(l) Particle accelerators.
	Annual fee
(Autho	rized by and implementing K.S.A. 48-1606, as amended by 2004 SB 396, § 1; effective
Oct. 8,	2004; amended P)

Kansas Department of Health and Environment

Division of Health

Bureau of Environmental Health

October 16, 2012

Economic Impact Statement

Pursuant to K.S.A. 2011 Supp. 77-416

PROPOSED AMENDED REGULATION:

Nuclear Energy Development and Radiation Control Act (K.S.A. 48, Article 16)

Amended

K.A.R. 28-35-147a Schedule of fees.

Executive Summary of Proposed New and Amended Regulations

The Kansas Department of Health and Environment (KDHE) is proposing to amend regulation K.A.R. 28-35-147a.

The Kansas Radiation Control Program operates within the Kansas Department of Health and Environment in the Division of Health's Bureau of Environmental Health. The Kansas Radiation Control Program performs all functions and duties as necessary to meet the requirements set forth in the Nuclear Energy Development and Radiation Control Act (K.S.A. 48, Article 16). Protecting the health and environment of the citizens of Kansas permeates every activity conducted by the Kansas Radiation Control Program. Members of the staff provide for the regulation, licensing, registration and inspection of sources of radiation, whether they consist of radioactive materials or machine generated radiation. As specified in K.S.A. 48-1601(b), the program has the requirement, "(b) to institute and maintain a regulatory program for sources of radiation so as to provide for (1) compatibility with the standards and regulatory programs of the federal government; (2) an integrated, effective system of regulation within the state; and (3) a system consonant insofar as possible with those of other states."

To carry out the responsibilities of the act, K.S.A. 48-1606 addresses the subject of collection of fees as follows: "(c)(7) The secretary may: fix, charge and collect fees for licenses and registration, and renewals thereof, issued under the nuclear energy development and radiation control act to cover all or any part of the cost of administering such act..." The fee maximums are set in K.S.A. 48-1606. Initial fee regulations were published October 8, 2004. Those fees were set at approximately 64% of the maximums allowable by statute and were projected to sustain program operations for a period of five years. Initial fees and judicious fiscal policy have allowed for program operations for a period of seven years prior to the proposed fee increase currently being recommended. Economic circumstance requires a fee increase to allow continued operation of the program at current levels in order to meet the requirements in K.S.A. 48-1601 "(a) to institute and maintain a program to permit the development and utilization of sources of radiation for peaceful purposes consistent with the health and safety of the public..."

Under KSA 48-1601 and related statutes, the State of Kansas entered into an agreement with the Nuclear Regulatory Commission (NRC) in 1965 to regulate radioactive materials under the provisions of the federal Atomic Energy Act. Kansas has operated as an agreement state since that time. The regulated community in Kansas includes 287 facilities licensed to use radioactive materials and 2,624 facilities registered to use x-ray equipment. These facilities include industrial operations, research labs, medical and dental facilities, and security screening operations. In order to assure appropriate protection of the public and operators, radiation exposures must be kept as low as reasonably achievable. The role of the radiation control program is to provide the appropriate oversight and regulation to assure this protection.

¹States which have entered into such agreements with the NRC are termed "Agreement States."

K.A.R. 28-35-147a: Schedule of fees.

In October 2004, new fee regulations were promulgated setting fees at approximately 64% of the maximum allowed by statute. Beginning in State Fiscal Year 2005 and during all subsequent years all fees collected from licensees and registrants have been placed in the Radiation Control Operations Fee Fund. The initial fee structure was projected to be adequate to support the program activities for a period of five (5) years prior to any expected fee increases.

This amendment to K.A.R. 28-35-147a adjusts fees to approximately 83% of the maximum as established in K.S.A. 48-1606 and is projected to generate sufficient revenue to operate the radiation control program for a period of at least five additional years.

Are these regulations mandated by federal law as a requirement for participating in or implementing a federally subsidized or assisted program?

No; however, under the NRC-Kansas delegation agreements, the state of Kansas is required to have adequate funding and staff resources to retain its authority under the Agreement. These amendments, while fiscal in nature, will enable the state to retain that authority by meeting the NRC requirement to implement the program. Additionally, the continued approval of the overall state radiation control program is predicated in part upon the state implementing the proposed amendment to K.A.R. 28-35-147a.

Do the proposed regulations exceed the requirements of applicable federal law?

No, the amendments are fiscal in nature and there are no applicable federal laws. The fees set in FY2004 represent a significant savings for businesses in Kansas. When compared to similar licenses fees collected by the NRC; in 2004 Kansas rates were only 33% of the fees charged by the NRC. A current comparison indicates that due to annual NRC fee increases the current fees in Kansas are about 16% of NRC fees, when the currently proposed fees are implemented Kansas fees will be approximately 21% of comparable NRC fees.

Description of Costs:

a. Cost to the agency:

All expenses required to administer this regulation are borne through fees collected for services. There are no additional costs to the agency and there are no state general funds involved in the functioning of the KDHE program charged with administering these regulations. The Radioactive Materials license fees for KDHE will increase from \$2400 to \$3120.

b. Cost to persons who will bear the costs and those who will be affected, (i.e., private citizens and consumers of the products or services) and are subject to the proposed rules and regulations or the enforcement:

The costs will be borne by the regulated community in Kansas which consists of 287 facilities licensed to use radioactive materials and 2,624 facilities registered to use x-ray equipment. These facilities include academic institutions, industrial/construction operations, research labs, medical and dental facilities, and security screening operations.

The proposed fees are an approximate 30% increase in each fee category. There are 30 specific radioactive material license fee categories whose current fees range from \$415 for a civil defense license to \$7925 for a large broad scope medical license. Under the proposed amendment the range of fees will be from \$540 to \$10305 per year.

Eighty-five percent of the licensees are represented by three fee categories (medical diagnostic and therapeutic, portable/fixed gauges and industrial radiography). A typical medical diagnostic and therapeutic facilities fee will increase from \$1475 to \$1920 per year. Portable/fixed gauge fees will go from \$800 to \$1040 per year. Industrial radiography fees will increase from \$3925 to \$5105.

The fees charged by the Kansas Radiation Control program are reasonable and comparable to fees being charged to maintain radiation control programs in other states.

Comparative Fees Analysis							
	KS	KS	NRC	Oklahoma	Nebraska	Iowa	Colorado
	Current	Proposed					
Medical	\$1475	\$1920	\$8600	\$4600	\$3900	\$3400	\$4600
diagnostic							
and							
therapeutic							
Portable/fixed	\$800	\$1040	\$4900	\$1590	\$1500	\$650	\$2405
gauges							
Industrial	\$3925	\$5105	\$25900	\$13520	\$6500	\$5300	\$12535
radiography							

c. Costs to other governmental agencies or units:

The regulatory program funded by these fees impacts other state agencies that use radioactive materials and radiation producing devices. The following table summarizes the increases for the major agencies:

Agencies using radioactive material	Current Fee	Proposed Fee	% Increase
University of Kansas Hospital Authority	\$12,580	\$16,35	30%
University of Kansas Medical Center	\$4,955	\$6,440	30%
University of Kansas	\$4,600	\$5,980	30%
Kansas State University	\$4,600	\$5,980	30%
Various agencies using portable radioactive			
gauges (i.e. KDOT, KDHE)	\$800	\$1,040	30%

d. A detailed statement of the data and methodology used to estimate the costs used in the statement.

The current fee structure was established seven (7) years ago. Increasing expenses that the program has had to incur during this time period have resulted in the need for a fee increase necessary to maintain the program efficacy.

Program evaluation has been performed to insure that the program workload is being handled efficiently and effectively. The evaluation has revealed that since the inception of the fee fund an inverse relationship between radioactive materials licenses and the number of operating locations has occurred. Materials licensees have decreased by 10% while the number of locations at which licensees perform services to the public has increased by 12%. The number of x-ray facilities has increased by 12% and the number of x-ray tubes inspected has increased by 21%. Current program staffing is adequate to handle the workload however the additional expenses associated with inspecting and monitoring the increased number of facilities has stressed both program physical and fiscal resources.

The KDHE fee categories for radioactive material license fees emulate the NRC annual fee categories and the current fees were set as a percentage of the NRC fees within each fee category with the desired outcome being generation of approximately half the revenue needed to sustain program operations for at least five (5) years assuming upward expense pressures of 3% per annum during the budget period. NRC fees are tailored to the level of work effort needed to service each license category, using a percentage of those fees as the basis for Kansas fees is reasonable assumption. The remainder of required fiscal resources will come from X-ray fees. X-ray fees reflect the level of work effort needed to service each registrant, a base fee is assessed and additional fees are charged for each x-ray tube the facility owns and operates. This allows the weighting of fees as a reflection of the work level that will be required that is to say the more x-ray tubes a facility has the higher the amount of effort required and the higher the fee.

Table 1 below reflects the budgeting assumptions made for the strategic period. Factors influencing our projections include the strong probability that the regulated community will likely

remain static, that our increased workload and expected expense pressures will continue along the current inverse trend and concluding that the current staffing levels are adequate for the upcoming strategic five year period it has been determined that a 30% increase in each fee category will provide the minimum fiscal resources needed maintain the program and provide for the health and safety of Kansas. The revenue generated includes all costs necessary to provide and service the licenses and registrations including 25% indirect costs. Budgeted amounts include previous year end fund balances combined with anticipated fee collections. Minimal surplus balances are budgeted for as the fee fund may not be drawn to a negative balance at any time.

Fund Projections (rounded to \$1,000s) (Assumes 2.5% upward expense pressure)					
2012 2013 2014 201				2015	2016
	Actuals	Projected	Projected	Projected	Projected
Proposed Budget	\$1,140,79	\$1,175,01	\$1,210,26	\$1,246,57	\$1,283,97
Total Expenditures	\$885,00	\$962,00	\$989,00	\$1,014,00	\$1,039,00
Indirect Expenses	\$240,00	\$241,00	\$247,00	\$253,00	\$260,00
Income	\$961,00	\$934,00	\$1,214,00	\$1,214,00	\$1,214,00
EOY Fund Balance	\$295,00	\$26,00	\$64,00	\$74,00	\$54,00

Table 1

Description of any less costly or less intrusive methods that were considered by the agency for the purpose of the rules and regulations and why such methods were rejected in favor of the proposed rules and regulations.

Historically the largest expenses to programs are salaries and benefits. Current staffing is at a minimum adequate level and not projected to increase. Benefit expenses are a variable beyond program control and are expected to continue their upward trend during the strategic period. Kansas maintains a competitive environment for business; the program has held to the minimum the licensing costs of doing business in the state. The option of program reduction would result in increased costs to Kansas business. In the event Kansas is not able to fulfill its agreed upon commitments the NRC could discontinue the agreement and allow Kansas to abdicate program responsibility back to NRC. The resulting costs of such actions to the approximately 285 Kansas radioactive materials licensees would increase approximately \$2.5 million annually which is a \$2 million dollar higher than what the proposed fee increase requests.

To allow for continued effective and efficient program operations the radiation control program has implemented several cost-cutting measures to best utilize scarce fiscal resources. Cross-training initiatives across the three units of the radiation control program have been used to increase productivity by using trained staff from the one unit to support the activities of the other units. Utilization and creation of on-line training products has been effective in reducing costs for training and travel that is required for staff to perform their functions. Use of webinars, conference calls and other electronic means of coordination with federal and state partners has reduced travel and per diem expenses

In addition, the radioactive materials, x-ray and asbestos programs utilize complex MS Access database applications which allow inspectors to enter their inspection data into the database and prepare letters and reports automatically. This has significantly reduced the time inspectors need to prepare inspection reports and letters to the facilities. In addition, the x-ray database

allows inspectors to use laptops in the field to collect data directly from their instrumentation using wireless technology significantly reducing the time and increasing the accuracy of the data.

Consultation with League of Kansas Municipalities, Kansas Association of Counties and the Kansas Association of School Boards.

The department does not anticipate that the proposed regulation will have any significant financial impact on these organizations. However, copies of the draft regulation and economic impact statement will be made available to the League of Kansas Municipalities, Kansas Association of Counties and the Kansas Association of School Boards, pursuant to KSA 2011 Supp. 77-416.